

## **An Overview of the 2008 Tax Rebate/Economic Stimulus Plan**

### **Who is Eligible for the Tax Rebate?**

You are eligible for the cash rebate check if your income in 2007 totaled at least \$3,000 and came from any of the following sources:

- Earned Income (e.g., income from employment)
- Veterans' disability compensation, pension or survivors' benefits
- Social Security retirement, survivor and disability benefits; **Supplemental Security Income (SSI) is not included**
- Railroad Retirement benefits

### **Contacting the IRS**

The IRS can provide the most detailed information and answer the specific questions of individuals. For more detailed information from the IRS please visit:

<http://www.irs.gov/irs/article/0,,id=177937,00.html>

More specific information on IRS locations in Pennsylvania is listed below along with additional organizations that may be of assistance.

### **Tax Rebate Amounts**

The minimum rebate a qualifying taxpayer will receive is \$300 (or \$600 for a couple filing a joint return). The maximum benefit for qualifying taxpayers is \$600 (or \$1200 for taxpayers who file a joint return). The adjusted gross income limit for the 2007 tax rebate is \$75,000 for individuals and \$150,000 for couples filing a joint return. Filers who earn more than those limits will have their rebates phased out.

An additional \$300 will be allocated to taxpayers for each dependant claimed on the return.

## **How to Obtain Your Rebate Check**

Most Americans who file a federal tax return for the 2007 year will receive a rebate check without having to take any additional action. The 2007 federal tax return is due on April 15, 2008.

1. The IRS will automatically process rebates for **taxpayers who have already filed a tax return for 2007** that reports income that exceeds \$3,000 in qualified income. (Refer to above section **Who Is Eligible for the Tax Rebate?**)

2. **Taxpayers who have already filed a 2007 return showing a qualified income of less than \$3,000**, but have not listed Social Security, Railroad Retirement or certain veteran benefits will need to file an amended 2007 tax return. That can be done by using the IRS Form 1040X.

3. **Individuals who do not normally file a tax return**, but received more than \$3,000 in qualified income as listed above, must file the IRS Form 1040, IRS Form 1040A, or IRS Form 1040 EZ for the 2007 year to receive the rebate. In order for the IRS to verify an individual's tax rebate eligibility, benefits from Social Security, Railroad Retirement or Veterans' Disability must be reported.

Social Security benefits reported on the 2007 Form 1099-SSA must be reported on line 20a of IRS Form 1040 or line 14a of IRS Form 1040A. You must write "**stimulus payment**" on the top of either IRS form to ensure that the IRS processes your return for the stimulus payment.

4. Certain veterans' benefits may count towards the qualifying income requirement of \$3,000. **Veterans receiving disability compensation, pension or survivors' benefits from the Department of Veterans Affairs in 2007** may combine the amounts of those benefits and enter them in line 20a of IRS Form 1040 or line 14a of IRS Form 1040A. Individuals may estimate their received benefits by adding their monthly benefits and multiplying that by the number of months they have received the benefit.

5. Military personnel who normally would not file an income tax return because their 2007 income is not taxable can file a simple Form 1040A with the IRS if they want to receive the economic stimulus payment. They should report their nontaxable combat pay on Line 40b of the Form 1040A to show at least \$3,000 in qualifying income. The Department of Defense lists the amount of excluded combat pay on line 12, box Q of Forms W-2 received by military personnel.

### **Where to obtain IRS forms/Pennsylvania IRS office locations**

Pennsylvania IRS Offices - <http://www.irs.gov/localcontacts/index.html> - Click on PA

The necessary forms may also be found on the internet at [www.irs.gov](http://www.irs.gov).

Mail all forms to:

Department of the Treasury  
Internal Revenue Service Center  
Kansas City, MO 64999-0002

### **Tax Preparation Assistance Information**

Contact the following organizations for assistance:

**Volunteer Income Tax Assistance (VITA)** – provides help to low and moderate income taxpayers. Call 1-800-906-9887 for nearest site location.

**Tax Counseling for the Elderly (TCE)** – provides free tax help to people 60 years of age and older. AARP offers this Tax-Aide counseling program at over 7,000 sites nationwide. Call 1-888-227-7669 or visit <http://www.aarp.org/money/taxaide/> to find an AARP Tax Aide site.

**Pennsylvania Taxpayer Advocate's Office Information** – Helps individual and business taxpayers resolve problems with the IRS.

Philadelphia Office  
600 Arch St., room 7426  
Philadelphia, PA 19106  
215-861-1304

Pittsburgh Office  
1000 Liberty Ave, Room 1400  
Pittsburgh, PA 15222  
412-395-5987

**National Taxpayer Advocate information line:** 1-877-777-4778

### **Additional Information and Resources**

Taxpayers should be aware of scams involving the tax rebate. Any emails or phone calls requesting financial information should be ignored. The IRS will not request any taxpayer give out financial information via phone or email. Two informational mailings will be sent out from the IRS advising them of details regarding the stimulus payments.